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Financing of the United Nations Mission in Bosnia and Herzegovina

Financing of the United Nations Mission in Bosnia and Herzegovina

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Mission in Bosnia and Herzegovina (UNMIBH) for the period from 1 July 1997 to 30 June 1998. The General Assembly, by its resolution 51/152 B of 13 June 1997, appropriated an amount of $178,880,900 gross ($170,269,700 net) for UNMIBH for the same period. In addition, commitment authority in the amount of $10,608,000 gross ($9,987,600 net) was provided by the Assembly in its decision 52/437 of 18 December 1997, but was not utilized.

Expenditures for the period totalled $157,128,000 gross ($150,745,100 net), resulting in an unencumbered balance of $21,752,900 gross ($19,524,600 net).

The unencumbered balance resulted from civilian vacancies, the acquisition of vehicles under a global purchase order, lack of helicopter support and the availability of supplies from United Nations surplus stock.

The actions to be taken by the General Assembly in connection with the financing of the Mission are set out in paragraph 15 of the present report and include (a) a decision on the treatment of the unencumbered balance of $21,752,900 gross ($19,524,600 net) for the period from 1 July 1997 to 30 June 1998 and (b) a decision not to appropriate or assess on Member States the amount of $10,608,000 gross ($9,987,600 net) authorized by its decision 52/437.

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I. Introduction

1. By its resolution 1035 (1995) of 21 December 1995, the Security Council established a United Nations civilian police force to be known as the International Police Task Force (IPTF), to be entrusted with the responsibilities set out in annex II of the General Framework Agreement for Peace in Bosnia and Herzegovina and the annexes thereto (collectively the "Peace Agreement") (A/50/790–S/1995/999), and a United Nations civilian office with the responsibilities set out in the report of the Secretary-General of 13 December 1995 (S/1995/1031). This operation is referred to as the United Nations Mission in Bosnia and Herzegovina (UNMIBH).

2. The deployment of United Nations military observers in the Prevlaka peninsula was originally authorized by the Security Council in its resolution 779 (1992) of 6 October 1992. Although an independent mission, for administrative and budgetary purposes the United Nations Mission of Observers in Prevlaka (UNMOP) is treated as part of UNMIBH.

3. The budget for the maintenance of UNMIBH for the period from 1 July 1997 to 30 June 1998 was set out in the report of the Secretary-General dated 15 May 1997 (A/51/519/Add.4) and amounted to $178,527,600 gross ($169,916,400 net). It provided for the maintenance of up to 28 military observers, 5 military liaison officers, 1,907 civilian police, 382 international staff and 1,083 locally recruited staff. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 8 of its report dated 28 May 1997 (A/51/910), recommended that the General Assembly appropriate $172 million gross for the period from 1 July 1997 to 30 June 1998.

4. The General Assembly, by its resolution 51/152 B of 13 June 1997, appropriated an amount of $178,880,900 gross ($170,269,700 net) for the maintenance of UNMIBH for the period from 1 July 1997 to 30 June 1998, inclusive of $6,880,900 for the support account for peacekeeping operations. This amount has been assessed on Member States.

5. In his subsequent report, dated 31 July 1997 (A/51/519/Add.5 and Corr.1), the Secretary-General incorporated the additional requirements for the strengthening of UNMIBH by 120 civilian police as authorized in Security Council resolution 1107 (1997) of 16 May 1997, and for the transfer of responsibility for providing central support services to the operations in the former Yugoslavia from the United Nations Peace Forces headquarters to UNMIBH as from 1 July 1997, in the amount of $10,608,000 gross ($9,987,600 net). By its decision 52/437 of 18 December 1997, the General Assembly authorized the Secretary-General to enter into commitments in an amount not to exceed $10,608,000 gross ($9,987,600 net) in addition to the appropriation provided for in its resolution 51/152 B. This amount has not been assessed on Member States.

6. As a result of high vacancy rates for civilian staff and delays in the deployment of the additional 120 civilian police authorized under Security Council resolution 1107 (1997), the additional resources authorized by Assembly decision 52/437 were not utilized.

II. Implementation of the budget

7. Information on the activities of UNMIBH and activities of the United Nations in the region during the period under review is contained in the reports of the Secretary-General to the Security Council dated 8 September 1997 (S/1997/694), 10 December 1997 (S/1997/966), 12 March 1998 (S/1998/227 and Corr.1) and 10 June 1998 (S/1998/491).

8. Information on the situation in the area of responsibility of UNMOP during the period under review is contained in the reports of the Secretary-General to the Security Council dated 1 July 1997 (S/1997/506), 30 December 1997 (S/1997/1019) and 26 June 1998 (S/1998/578).

9. During the reporting period the Mission was entrusted with additional responsibilities with regard to the role of IPTF in Brcko, the investigation of human rights abuses by police of the local authorities in Bosnia and Herzegovina and the setting up of specialized training units as entailed in Security Council resolutions 1103 (1997) of 31 March 1997, 1107 (1997) and 1168 (1998) of 21 May 1998. IPTF was strengthened by 336 police, from 1,721 to 2,057. However, the deployment of the additional 30 police authorized by Security Council resolution 1168 (1998) did not take place during the reporting period, and therefore bore no impact on the budget. In addition, responsibility for providing central support to the operations in the former Yugoslavia was handed over to UNMIBH effective 1 July 1997.

10. Furthermore, in view of the additional responsibilities referred to above, the authorized civilian staffing of UNMIBH was increased by 349 posts, from 1,287 to 1,636, during the reporting period. The Mission's supply of vehicles, communications equipment and other equipment was also increased.

11. Variances in the implementation of the budget were attributable mainly to the following factors:

(a) The vacancy rate for international staff averaged some 15 per cent. Some steps have been taken with a view to addressing the recruitment difficulties encountered during this period. This included the introduction of a personnel activity report in April 1998, which was intended to improve the reporting of personnel data from the field to Headquarters, allowing for better coordination of staffing requirements between various missions;

(b) The acquisition of vehicles under a global purchase order resulted in a lower cost per vehicle compared to the standard cost utilized in the budget;

(c) Helicopter operations were discontinued after the crash of an MI-8 helicopter in September 1997. For this reason, the expenditures incurred for hire charter costs, fuel aircrew subsistence allowance, air traffic control services, equipment and other related costs such as the upgrading of helipads were significantly less than planned;

(d) The availability of supplies from United Nations surplus stock reduced the need for new purchases.

12. As a result of the above-mentioned factors, the Mission was able to absorb the cost of its latest expansion as reported in document A/51/519/Add.5 and Corr.1 within the overall resources provided in General Assembly resolution 51/152 B.

III. Financial performance report for the period from 1 July 1997 to 30 June 1998

13. As indicated in table 1 below, an amount of $178,880,900 gross ($170,269,700 net) was appropriated for the maintenance of UNMIBH for the period from 1 July 1997 to 30 June 1998. The related expenditures amounted to $157,128,000 gross ($150,745,100 net), inclusive of $16,198,000 in unliquidated obligations. The unspent balance of $21,752,900 gross ($19,524,600 net) represents, in gross terms, some 12 per cent of the amount appropriated. Annex I to the present report contains the financial performance information for the reporting period by budget line item, with supplementary information on significant

variances presented in annex II. Annex IV contains a chart showing apportionment and expenditure by main budget groups.

Table 1
Apportionment and expenditure
(*Thousands of United States dollars*)

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Military personnel costs	2 013.4	1 906.6	106.8
Civilian personnel costs	125 518.2	114 548.7	10 969.8
Operational costs	35 445.2	24 589.5	10 855.7
Other programmes	412.0	234.7	177.3
United Nations Logistics Base at Brindisi	—	2 585.0	(2 585.0)
Support account for peacekeeping operations	6 880.9	6 880.9	—
Staff assessment	8 611.2	6 382.9	2 228.3
Total	**178 880.9**	**157 128.0**	**21 752.9**
Income from staff assessment	8 611.2	(6 382.9)	(2 228.3)
Voluntary contributions in kind (budgeted)	—	—	—
Net requirements	**170 269.7**	**150 745.1**	**19 524.6**
Voluntary contributions in kind (non-budgeted)	—	—	—
Total resources	**170 269.7**	**150 745.1**	**19 524.6**

[a] Includes an amount of $16,198,000 in unliquidated obligations.

14. Information on the deployment of military observers and civilian personnel during the reporting period is presented in table 2 and detailed in annex III.

Table 2
Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 1997 to 30 June 1998

Personnel category	*Authorized strength*	*Basis for apportionment*	*Actual strength (average)*	*Vacancy rate (percentage) (based on apportionment)*
Military observers	33	33	30	9.1
Military contingents	—	—	—	—
Civilian police	2 057	1 812	1 975	-9.0
International staff	398	363	308	15.2
Local staff	1 238	1 029	1 148	-11.6
United Nations Volunteers	—	—	—	—

IV. Actions to be taken by the General Assembly at its fifty-third session

15. The actions to be taken by the General Assembly in connection with the financing of UNMIBH, including UNMOP, are the following:

(a) To decide on the treatment of the unencumbered balance of $21,752,900 gross ($19,524,600 net) for the period from 1 July 1997 to 30 June 1998;

(b) To decide not to appropriate or assess on Member States the amount of $10,608,000 gross ($9,987,600 net) authorized by its decision 52/437.

Annex I

Financial performance report for the period from 1 July 1997 to 30 June 1998: summary statement

(Thousands of United States dollars)

	(1)	*(2)*	*(3)*	*(4) = (1-3)*
	Apportionment a	*Non-recurrent expenditures*	*Total expenditures (inclusive of non-recurrent expenditures)*	*Variance*
I. Military personnel costs				
1. Military observers	1 237.4	-	1 130.6	106.8
2. Military contingents	-	-	-	-
3. Other costs pertaining to military personnel				
(a) Contingent-owned equipment	-	-	-	-
(b) Death and disability compensation	776.0	-	776.0	-
Subtotal, line 3	776.0	-	776.0	-
Total, Category I	**2 013.4**	-	**1 906.6**	**106.8**
II. Civilian personnel costs				
1. Civilian police	67 618.2	-	70 914.3	(3 296.1)
2. International and local staff	57 900.0	-	43 634.1	14 265.9
3. International contractual personnel	-	-	-	-
4. United Nations Volunteers	-	-	-	-
5. Government-provided personnel	-	-	-	-
6. Civilian electoral observers	-	-	-	-
Total, Category II	**125 518.2**	-	**114 548.4**	**10 969.8**
III. Operational costs				
1. Premises/accommodation	5 370.6	470.5	4 274.4	1 096.2
2. Infrastructure repairs	100.0	38.1	38.1	61.9
3. Transport operations	17 587.1	6 940.5	10 038.3	7 548.8
4. Air operations	3 384.3	-	1 372.6	2 011.7
5. Naval operations	-	-	-	-
6. Communications	4 732.6	1 251.8	4 254.5	478.1
7. Other equipment	1 009.5	768.0	1 037.5	(28.0)
8. Supplies and services	3 111.1	-	3 424.2	(313.1)
9. Air and surface freight				
(a) Transport of contingent-owned equipment	-	-	-	-
(b) Commercial freight and cartage	150.0	-	149.9	0.1
Subtotal, line 9	**150.0**	-	**149.9**	**0.1**
Total, Category III	**35 445.2**	**9 468.9**	**24 589.5**	**10 855.7**

	(1) Apportionment a	(2) Non-recurrent expenditures	(3) Total expenditures (inclusive of non-recurrent expenditures)	(4) = (1-3) Variance
IV. Other programmes				
1. Election-related supplies and services	-	-	-	-
2. Public information programmes	200.0	1.0	106.6	93.4
3. Training programmes	212.0	-	128.1	83.9
4. Mine-clearing programmes	-	-	-	-
5. Assistance for disarmament and demobilization	-	-	-	-
Total, Category IV	**412.0**	**1.0**	**234.7**	**177.3**
V. United Nations Logistics Base at Brindisi	-	2 585.0	2 585.0	(2 585.0)
VI. Support account for peacekeeping operations	6 880.9	-	6 880.9	-
VII. Staff assessment	8 611.2	-	6 382.9	2 228.3
Total, Categories I - VII	**178 880.9**	**12 054.9**	**157 128.0**	**21 752.9**
VIII Income from staff assessment	(8 611.2)	-	(6 382.9)	(2 228.3)
IX. Voluntary contributions in kind (budgeted)	-	-	-	-
Total, Categories VIII - IX	**(8 611.2)**	-	**(6 382.9)**	**(2 228.3)**
Gross requirements	178 880.9	12 054.9	157 128.0	21 752.9
Net requirements	170 269.7	12 054.9	150 745.1	19 524.6
X. Voluntary contributions in kind (non-budgeted)	-	-	-	-
Total resources	**170 269.7**	**12 054.9**	**150 745.1**	**19 524.6**

[a] Based on appropriation provided by General Assembly resolution 51/152 B. Excludes commitment authority in the amount of $10,608,000 gross ($9,987,600) provided by General Assembly decision 52/437.

Annex II

Supplementary information on significant variances

Military personnel costs

Apportionment: $2,013,400; expenditure: $1,906,600; variance: $106,800

1. The apportionment for military observers was based on a total strength of 396 person-months. Actual deployment totalled 364 person-months, resulting in an unutilized balance under mission subsistence allowance. These savings were partially offset by a higher cost per trip ($1,700) than budgeted ($1,500). This higher cost has been reflected in the budget for the period from 1 July 1998 to 30 June 1999.

Civilian personnel costs

Apportionment: $125,518,200; expenditure: $114,548,400; variance: $10,969,800

2. The unutilized balance of $10,969,800 under this heading resulted from lower requirements of $14,265,900 under international and local staff, which were partially offset by additional requirements of $3,269,100 under civilian police.

Civilian police

Apportionment: $67,618,200; expenditure: $70,914,300; variance: ($3,296,100)

3. Additional requirements of $3,296,100 under this heading resulted from greater actual deployment, amounting to 23,792 person-months compared to the 21,744 person-months provided for in the apportionment. This variance was attributable to two factors: (a) the apportionment reflected a 5 per cent reduction for delayed deployment as recommended by the Advisory Committee on Administrative and Budgetary Questions in paragraph 48 of its report of 14 April 1997 (A/51/872); and (b) the costs related to the increase of UNMIBH strength by 120 civilian police, as authorized by Security Council resolution 1107 (1997), were absorbed within the overall resources provided for in General Assembly resolution 51/152 B, as explained in paragraphs 11 and 12 of the main report.

International and local staff

Apportionment: $57,900,000; expenditure: $43,634,100; variance: $14,265,900

4. The unutilized balance of $14,265,900 under this heading resulted primarily from an average vacancy rate of 15 per cent for international staff. While the apportionment was based on the deployment of 4,356 person-months, actual deployment totalled 3,691 person-months. Furthermore, although the apportionment took into account the non-entitlement of mission appointees at the Professional level to post adjustment, savings were also realized under international salaries due to the fact that many Field Service staff were mission appointees. Expenditures for common staff costs were also considerably less than the standard costs because of the large number of mission appointees. For these reasons, appropriate reductions are being applied to the standard costs in the budget covering the period from 1 July 1999 to 30 June 2000, which is being prepared.

5. The savings referred to in the previous paragraph were partially offset by additional requirements for local staff salaries and other travel. Most of the 153 Local level posts included in document A/51/519/Add.5 and Corr.1 for central support services and the human

rights mandate authorized by Security Council resolution 1107 (1997) were filled during the reporting period, and the cost was absorbed within the approved appropriation as explained in paragraphs 11 and 12 of the present report. Travel requirements not foreseen at the time of preparation of the budget included travel of senior staff to the Peace Implementation Conference, meetings on asset disposal and the field assets control system, travel of technical staff to Brindisi, payment of meals and accommodation allowance to locally recruited language assistants who were required to be away from their normal duty location for more than 10 hours and expenditures for mission assessment travel of the Headquarters IPTF selection team.

Operational costs

Apportionment: $35,445,200; expenditure: $24,589,500; variance: $10,855,700

6. An unutilized balance of $10,855,700 under this heading resulted from reduced requirements totalling $11,196,800 under premises/accommodation ($1,096,200), infrastructure repairs ($61,900), transport operations ($7,548,800), air operations ($2,011,700), communications ($478,100) and air and surface freight ($100), which were partially offset by additional requirements totalling $341,100 under other equipment ($28,000) and supplies and services ($313,100).

Premises/accommodation

Apportionment: $5,370,600; expenditure: $4,274,400; variance: $1,096,200

7. The unutilized balance under this heading resulted from the relocation of the International Press Centre to rent-free premises in the beginning of 1998, favourable exchange rates which reduced rental expenditures, the inclusion in many cases of maintenance services, water and gas in the monthly rental fees and improvements in the commercial power grid, which decreased the need for generators. In this connection, reductions have been applied to the cost of utilities and maintenance services in the budget covering the period from 1 July 1998 to 30 June 1999.

Infrastructure repairs

Apportionment: $100,000; expenditure: $38,100; variance: $61,900

8. Unutilized resources under infrastructure repairs were due to the cancellation of the upgrading of helipads, since no helicopter support was provided to UNMIBH after the crash of the MI-8 helicopter in September 1997, and the cancellation of some road construction works.

Transport operations

Apportionment: $17,587,100; expenditure: $10,038,300; variance: $7,548,800

9. The unutilized balance of $7,548,800 under this heading was primarily related to purchase of vehicles and spare parts. Savings were realized for the purchase of vehicles as a result of several factors: (a) the purchase of 18 fewer light jeeps; (b) a lower unit cost of $14,500 compared to the standard cost of $20,000 per vehicle for 460 jeeps acquired under a global purchase order; and (c) the availability of 7 armoured vehicles from United Nations surplus stock. In addition, a lower deployment of vehicles together with the fact that parts were available from surplus stock or dismantled vehicles earmarked for write-off significantly reduced requirements for spare parts, repairs and maintenance. A reduction

is being applied to the standard cost for spare parts, repairs and maintenance in the budget covering the period from 1 July 1999 to 30 June 2000, which is being prepared.

Air operations

Apportionment: $3,384,300; expenditure: $1,372,600; variance: $2,011,700

10. Unutilized resources under air operations resulted primarily from the discontinuation of helicopter operations following the crash of the MI-8 helicopter in September 1997. Expenditures of $89,118 in respect of the 125.1 hours flown up to that date were charged against a prior period obligation. In addition, poor weather conditions restricted the operation of the AN-26 fixed-wing aircraft, which flew a total of 846 hours compared to 1,200 hours budgeted. Those factors together decreased the necessity for aircrew subsistence allowance and air traffic control services and equipment. Lastly, the airport at Sarajevo remained under the control of the Stabilization Force (SFOR), and therefore no landing charges were levied.

Communications

Apportionment: $4,732,600; expenditure: $4,254,500; variance: $478,100

11. An unutilized balance of $478,100 under this heading resulted from sharing the cost of the transponder lease with SFOR. Those savings were partially offset by requirements for communications equipment and spare parts included in document A/51/519/Add.5 and Corr.1 relating to the provision of central support services and the human rights mandate authorized by Security Council resolution 1107 (1997), as well as the upgrade and expansion of the communications network to Brcko, Bihac, Tito Barracks and some IPTF stations.

Other equipment

Apportionment: $1,009,500; expenditure: $1,037,500; variance: ($28,000)

12. Additional requirements under this heading totalling $28,000 were primarily attributable to the purchase of office equipment at full cost rather than having it transferred from United Nations surplus stock, as originally anticipated. Furthermore, there were additional requirements for electronic data-processing equipment relating to the expansion of UNMIBH, as described in document A/51/519/Add.5 and Corr.1, and for replacement of equipment which was not serviceable.

Supplies and services

Apportionment: $3,111,100; expenditure: $3,424,200; variance: ($313,100)

13. Additional requirements of $313,300 under this heading were the net result of additional requirements in the amount of $961,400 for miscellaneous services, partially offset by an unutilized balance of $648,300 under miscellaneous supplies. Additional requirements under miscellaneous services were mainly attributable to the hiring of mechanics, construction workers, cleaners and security officers under special service agreements where suitable contracting companies were not available as well as to losses on exchange. Unutilized resources under miscellaneous supplies were primarily due to the availability of supplies from United Nations surplus stock.

Other programmes

Apportionment: $412,000; expenditure: $234,700; variance: $177,300

14. The unutilized balance under this heading was due to the fact that not all public information projects or training courses were implemented, resulting in savings of $93,400 and $83,900 respectively under those line items.

United Nations Logistics Base at Brindisi

Apportionment: none; expenditure: $2,585,000; variance: ($2,585,000)

15. The expenditure of $2,585,000 represents the Mission's prorated share of the cost of maintaining the United Nations Logistics Base at Brindisi for the reporting period, in accordance with General Assembly resolution 52/1 A of 15 October 1997.

Staff assessment

Apportionment: $8,611,200; expenditure: $6,382,900; variance: $2,228,300

16. Unutilized resources in the amount of $2,228,300 were due to vacancies in international posts.

Income from staff assessment

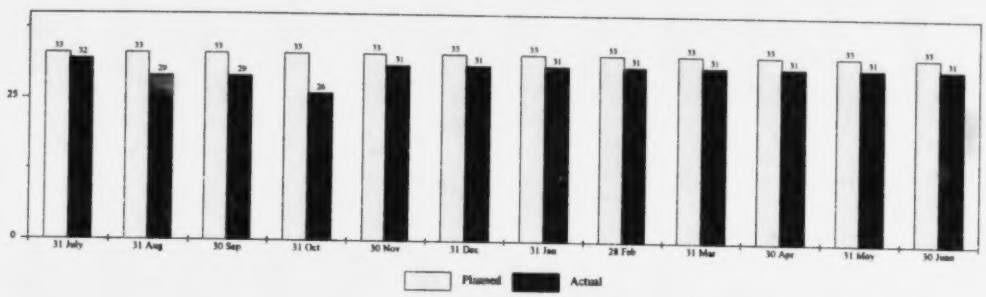
Apportionment: ($8,611,200); expenditure: ($6,382,900); variance: ($2,228,300)

17. This amount is derived from staff assessment (see para. 16).

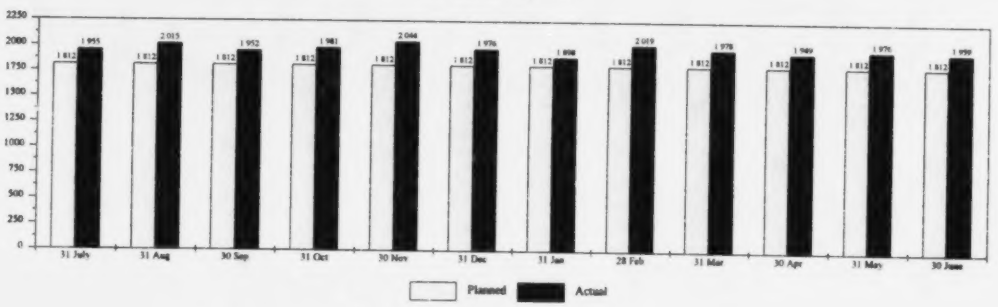
Annex III

Planned and actual deployment of military and civilian personnel for the period from 1 July 1997 to 30 June 1998

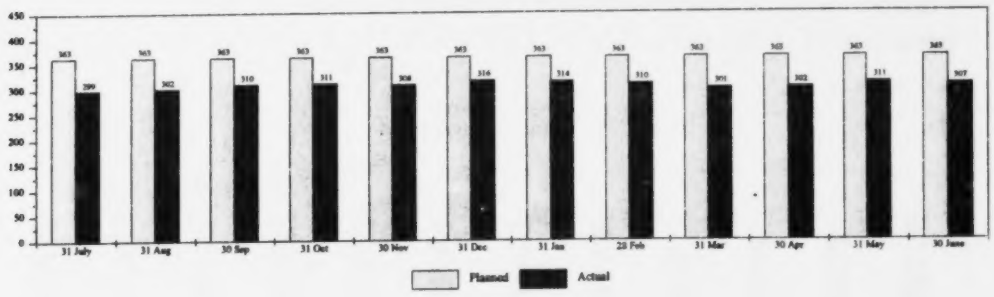
1. Military observers



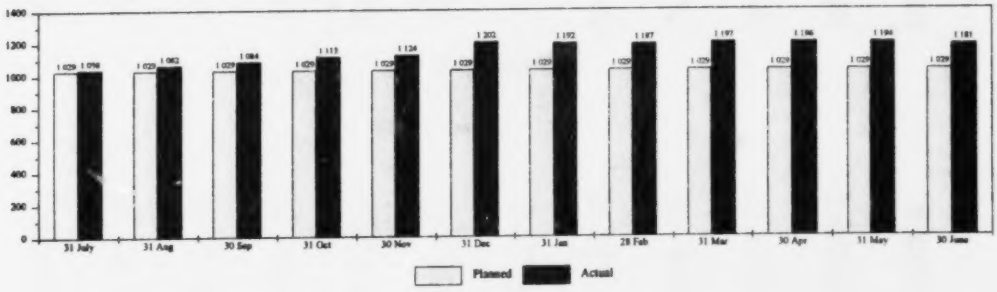
2. Civilian police



3. International staff



4. Local staff



Annex IV

Apportionment and expenditure for the period from 1 July 1997 to 30 June 1998